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## IMPORMATION REPORT

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1. Chinese Communist Activities in North Sumatra

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2. Pastai Murba-PKI Rivalry in Medan

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SUPPLEMENT TO REPORT NO.

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On 17 July 1951, a new Hua Chiao School Building was opened in Tebingtinggi. YAP E. Tong, CHU Chi Fei (CHU Chih-hui - , , ), Principal of the Hwa Chiao Middle School in Nedan, and the Chinese Consul in Medan attended the opening ceremonies. Afterwards, the three men paid a short visit to the Chinese Chamber of Com erce in Tebingtinggi.

The Tebingtinggi branch of the Chinese Consulate, formerly on Djalan Medan, is now in the office of the Chinese Chamber of Commerce, Djalan Padang 34. Although the Tebingtinggi Chinese Chamber of Commerce is not predominantly Communist, some of its officers are Communists or Communist sympathizers.

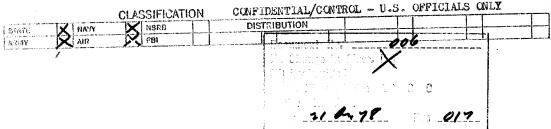
YAP Soon An (YEH Shun-an ), a member of the Overseas Chinese
Ceneral Association (CCCA) and proprietor of the Yie Foo Chong Rubber Factory, Djalan Tjong A Fie, Tebingtinggi, is Chairman of the Chinese Chamber of Commerce.

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TAN Suat Eng, aka CHEN Seck Ying, of Siantar has authorized TAN Ka Tuan of Medan to look after his financial affairs while he (TAN Suat Eng) is in China.2

The China Democratic League (CDL) in Medan, under the leadership of YAP E. Tong, is collecting funds from local Chinese merchants to support the Communist newspaper, Suara Rakjat, whose offices are in Djakarta. The Suara Rakjat is to be distributed free of charge throughout Indonesia to counteract the free bulletins issued by the United States and British information services.

Unidentified Chinese in Medan are financing the Partai Murba in Sumatra East Coast. Officers and leaders of the Partai Murba receive regular payments from these Chinese, which are given out by the party organization. One officer of the Partai Murba in Medan receives rphs. 400 to rphs. 500 a month in this way. The Partai Murba also pays undisclosed amounts of money for information on PKI organization, program, and activities, and is actively trying to suborn PKI members.



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## CENTRAL INTELLIGENCE AGENCY

- 2 -

- Arifin Esnery, formerly a leading member of the PKI in Tandjungpura, was expelled from the PKI around March 1951. Thereupon, he joined the Partai Murba. PKI leaders knew that in 1949 Esnery had sold PKI information to Daud Beureuh, then Military Covernor of Atjeh. Until his expusion from the PKI, Esnery also passed to the Partai Murba every PKI document he received.
- 7. Abdul Kadir of Bindjei, a leading member of the PKI in the Medan area, defected to the Partai Murba on the same day as Esnery. It is not known whether or not Kadir sold PKI information to the Partai Murba. Kadir was, and still is, highly trusted by Abdul Xarim MS.

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- Ka Tuan, who is openly anti-American, is believed to be secretly financed by TAN Suat Eng. About October 1950, TAN Ka Tuan cashed three rphs. 50,000 checks, signed by TAN Suat Eng and drawn on the latter's Ban Kong Sawmill in Siantar. TAN Ka Tuan is a close friend of TAN Suat Eng, holding a "blank share" (no capital investment but a share in the profits) in the 25000 Kong Sawmill.
- 2 Comment. TAN Suat Eng is expected to leave for China during July or August 1951. He probably will travel with the OCGA-sponsered observation party led by YAP E. Tong.

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